null Lucia A Keegan 11/08/2006 02:46:19 PM From DB/Inbox: Lucia A Keegan

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SIPDIS

SENSITIVE

STATE EB/CIP AND EUR/WE PLEASE PASS TO USTR JMCHALE AND KSCHAGRIN FCC FOR TWEISLER COMMERCE FOR NTIA JUSTICE FOR KWILLNER

E.O. 12958: N/A TAGS: ECPS ECON FR

SUBJECT: FRENCH TELECOM DEVELOPMENTS FROM ENTERPRISE DIRECTORATE

PERSPECTIVE

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REF: PARIS 6811

- 11. (SBU) Summary: GOF Ministry of Economy, Finance and Industry Information and Communications Technologies Director Emmanuel Gabla told us on October 19 that he was discussing with EU counterparts whether to regulate next generation fiber networks used for broadband and cable TV. Gabla admitted the U.S. had encouraged investment in building such networks by announcing that it would not force operators to provide access to competitors. Gabla informed us that the Senate will debate a bill on November 20-22 that would foster television over mobile phone networks, introduce high definition television (HDTV), and replace analog TV with digital TV by 2011. Gabla said the GOF is united in its support for provisions in the new copyright legislation that mandate interoperability between different digital music players. End summary.
- 12. (SBU) On October 19, Econoff discussed next generation telecommunication networks, Internet neutrality, the possible merger of France's telecommunications and television regulators, changes in France's ICANN representative, and copyright legislation with Information and Communication Technologies Director Emmanuel Gabla.

Next Generation Networks

 $\P 3$. (SBU) According to Gabla, the EU is discussing whether and how to

regulate new fiber-optic broadband infrastructure. Gabla noted that U.S. investment in such infrastructure was more advanced because USG made an early, public commitment not to regulate this area. While Europe has taken note of this approach, most argue that the services provided over such networks are essentially the same as telephony and should be regulated as such. Gabla said the decision will ultimately be made at the European, not member-state level. The EU is also debating the implications this decision would have for universal service.

Net Neutrality

¶4. (SBU) Gabla said that French telecommunication firms are observing the debate in the U.S. regarding net neutrality with interest. Europe is beginning to debate the issue as well, Gabla said. He thought that companies arguing in favor of net neutrality, such as Google and Yahoo, made the more compelling arguments.

CSA/ARCEP Merger

- 15. (SBU) Gabla said an oft-discussed merger between French telecommunications regulator Autorite de Regulation des Communications Electroniques et des Postes (ARCEP) and Conseil Superieur de l'Audiovisuel (CSA) would not take place over the next year. Such a change would require legislation.
- 16. (SBU) Parliament is now considering a bill that would foster television broadcasting over mobile phones, allow for the introduction of high definition television (HDTV), and envision the replacement of analog television by digital TV in 2011. Advisors in both the Prime Minister's and President's Offices had suggested the bill might also provide for the merger of the two organizations for better frequency management. The CSA and ARCEP oppose such provisions, however, and the proposal does not appear in the current text of the bill. Nor does Gabla think such a clause will be added, since the bill needs to be rushed through by February when the campaign for 2007 elections will begin in earnest. Should the Socialists win, he thought, they may reconsider the merger since CSA leadership had been nominated by the right-of-center Union for a Popular Movement (UMP). A merger might be a way of getting rid of the UMP nominees.

ICANN

17. (SBU) The GOF has chosen Bertrand de la Chapelle (former advisor to the French Minister for European Affairs and an organizer of the OpenWSIS Initiative) as its Internet Corporation for Assigned Names and Numbers (ICANN) Government Advisory Committee (GAC) representative. Despite the change of representative, French priorities remain the same. The GOF thinks the role of the GAC should be strengthened beyond that of an advisory body, and ICANN needs to internationalize. The private and public sectors of all regions should participate in ICANN. While the U.S. argues that ICANN should not be under the control of governments, Gabla said, the USG enjoys a disproportionate amount of influence on the body. Gabla said the EU was coordinating policy on this issue. He said the French would continue to work productively with the U.S., as it has in the past, while continuing to lobby for change in a low-key way.

Copyright Legislation

18. (SBU) Gabla said that while the Ministry of Culture has the lead in drafting technical measures in support of new copyright legislation (reftel), support for the principle of interoperability enjoys interagency support. "We cannot accept fragmentation of the market. You should not have to pay for the same music twice to play it on two different machines." Gabla believes the present "fragmentation" encourages illegal downloading. But Gabla said he understood U.S. concern over the negative implications of mandated interoperability for the intellectual property of affected firms.

HOFMANN